

Orange Coast Title Company and its Family of Title Companies, a leading provider of title and escrow services nationally based in Santa Ana, CA is proud to announce that in March of 2014, they were among the first companies in the real estate industry to have completed its SSAE 16 Service Organization Control (SOC 1 Type I and Type II) (the "Report") examination and was Certified for both with "NO EXCEPTIONS" to the American Land Title Association's (ALTA) "Best Practices" protocols. This includes all 26 of the companies which comprise OCT's Family of Companies (a list of the certified companies can be found at [www.octitle.com/bestpractices](http://www.octitle.com/bestpractices) ).

The Consumer Financial Protection Bureau (CFPB) has released a set of rules and regulations with which Lending Institutions must comply. These new procedures are mandatory and intended to protect, among other things, the consumer's NPPI (Non-Public Personal Information). Part of the Lending Institutions criteria to be compliant, is to insure that all of their vendors are compliant and have the strictest regulations in place. ALTA has developed a list of 7 Best Practices pillars for Title Companies; each of those pillars have numerous protocols.

By implementing the policies and guidelines of the title industries Best Practices as defined by ALTA, title companies demonstrate that they have implemented the controls to mitigate risks to protect consumers and protect intuitions from liability.

The report which is dived into two halves, one information security and the other all other issues, is designed to meet the needs of user entities' management and auditors as they evaluate the effect of a service organization's controls on a user entity's financial statement assertions. These reports are important components of user entities' evaluation of their internal controls over financial reporting for purposes of compliance with laws and regulations and for when user entity auditors plan and perform financial statement audits.

"We are pleased that our SSAE 16 reports have shown that we have suitably designed our systems and that we are operating with effective controls." said Rich Macaluso, President of Orange Coast Title Company. "As part of our mission to the Real Estate Lending Industry and commitment to our clients; we strive to deliver the best product possible. By going through such an extensive six month auditing process, we are now able to provide lenders and other financial institutions a report that addresses their concerns in a format which is most familiar to them."

The SSAE 16 requirements became a hot topic in the financial industry after the Office of the Comptroller of the Currency (OCC), the regulatory body which supervises all national banks, federal savings associations and foreign banks, issued a bulletin on October 30, 2013, detailing Third-Party Relationships and Risk Management Guidelines (<http://www.occ.gov/news-issuances/bulletins/2013/bulletin-2013-29.html> ).

"Lending institutions, warehouse providers, secondary investors and FDIC Banks are looking for security from their critical 3<sup>rd</sup> party vendors and the SSAE 16 has become the standard that many in the industry are requiring from their title insurance providers", said Bill Burding, Orange Coast Title Company's Executive Vice President/General Counsel & RESPA, Compliance & Regulatory Attorney, "In evaluating which title company to use in a given transaction, it is becoming critical to choose a company that has

achieved a SSAE 16 Certification from an independent auditor to make sure that the consumer is protected. Our SOC I and II reports describes our controls, our auditors testing of our controls and our auditor's opinion on the fairness of our description, suitability of the design and operating effectiveness of our controls". All of those were approved by OCT's independent auditors.

Those interested in a copy of OCT's SOC I and/or II reports may contact Carolyn Hannon at the OCT Legal Department at 714.558.1836 or via e-mail at [carolynh@octitle.com](mailto:carolynh@octitle.com).